

## LONG-TERM CARE EXPENDITURES FOR OLDER ADULTS REPORTED FOR SFY 98-99

### North Carolina's Total Expenditures for Older Adults (persons 60+)

- ◆ The following state agencies reported total expenditures of \$1.9 billion in SFY 99 for persons 60+. This represents an increase of approximately 9% over SFY 98 (\$1.8 billion).

#### Agencies reporting

- |   |   |
|---|---|
| ⇒ Division of Aging   | ⇒ Division of Services for the Blind    |
| ⇒ Division of Medical Assistance  | ⇒ Division of Social Services           |
| ⇒ Division of Mental Health, Developmental<br>Disabilities and Substance Abuse Services | ⇒ Division of Vocational Rehabilitation |
| ⇒ Public Health   | ⇒ Department of Transportation          |

*Note: Expenditures do not include any Medicare expenditures with the exception of Medicare premiums, co-pays, and deductibles that Medicaid is required to pay for certain persons.*

### North Carolina's Long-Term Care Expenditures for Older Adults

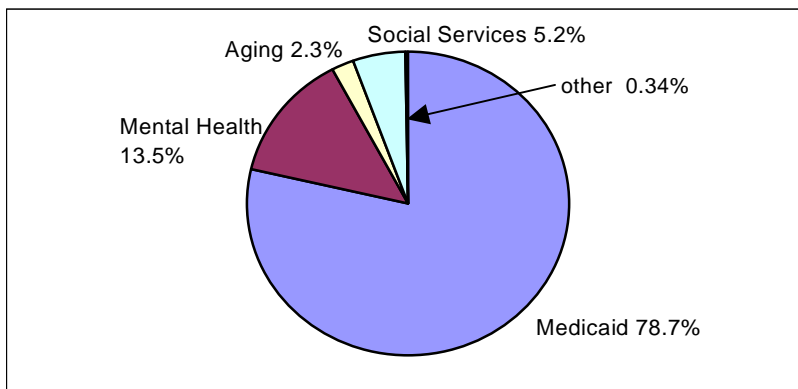
- ◆ Long-term care expenditures totaled \$1.3 billion in SFY 99 or 67% percent of total spending for older adults. This represents an increase of 8% over SFY 98 (total expenditures of \$1.2 billion). The overall increase in long-term care spending since 1990 (1<sup>st</sup> year statewide expenditure data collected) is 173% (\$486 million in 1990). **During this same time period, the state's 60+ population increased by 19%.**

- ◆ The ratio of spending by service category remained virtually unchanged between SFY 98 and SFY 99. An historical overview of long-term care spending by major category follows:

<u>Category</u>	<u>1990</u>	<u>1998</u>	<u>1999</u>
Home & Community Care	16%	20.6%	<b>20.8%</b>
Institutional Care	76.2%	70.8%	<b>70.4%</b>
Adult Care Homes	7.7%	8.6%	<b>8.7%</b>

*Note: Institutional care includes nursing home, intermediate care for the mentally retarded (ICF-MR), mental health/substance abuse inpatient care, and mental retardation center expenditures.*

- ◆ Consistent with prior years, expenditures reported by the Division of Medical Assistance (Medicaid) accounted for the vast majority (79%) of total long-term care spending for older adults in SFY 99 as illustrated in the chart below. In the chart below, the category entitled "other" includes the Divisions of Public Health and Services for the Blind.



- ◆ When considering growth in Medicaid long-term care expenditures on a percentage basis, expenditures for non-nursing home care (home and community care as well as adult care homes) have grown more rapidly than nursing home expenditures. The chart below shows the percentage growth between SFY 92 and SFY 99 for major long-term care services funded by Medicaid as reported by the Division of Medical Assistance. As illustrated below, growth in nursing home expenditures account for the greatest growth in total dollars between SFY 92-SFY 99.

<u>Service</u>	<u>Expenditure Increase between SFY 92 &amp; 99</u>	<u>Ave. Annual Percentage Inc.</u>	<u>Total Dollar Increase bet. SFY 92 &amp; 99</u>
Nursing Home	98%	11%	\$364.0 million
Personal Care Services	214%	19%	\$ 39.6 million
CAP-DA	393%	26%	\$ 98.9 million
Home Health	134%	13%	\$ 17.2 million
Adult Care Homes*	56%	17%	\$ 46.6 million

*\* Doesn't reflect the same time period as other services listed since Medicaid coverage of Personal Care Services did not begin until SFY 96.*

Some of the policy/programmatic reasons (exclusive of any reimbursement increases) that Medicaid home and community based service expenditures (including adult care home expenditures) have grown more rapidly than nursing home expenditures, on a percentage basis, are due to the following:

- Beginning in SFY '96, reimbursement for personal care and case management for "heavy care" residents was allowed for Medicaid eligible adult care home residents.
- Categorical eligibility for aged, blind, and disabled adults receiving Supplemental Security Income (about 74% of the federal poverty level) was effective January 1, 1995.
- Effective January 1, 1999, the categorical income eligibility level for the aged, blind, and disabled was raised to 100% of poverty.
- CAP-DA was expanded to all 100 counties and numerous CAP-DA programs received funding through the Kate B. Reynolds Charitable Trust (through a grant administered by the Duke Long-Term Care Resources Program) to increase the capacity of their CAP-DA programs.